

Office of the State Auditor



State of Mississippi

PHIL BRYANT
AUDITOR

1997 ANNUAL REPORT

Prepared by

Office of the State Auditor
Performance Audit Division

1997 Annual Report

Fiscal year July 1, 1996 through June 30, 1997

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*The Office of the State Auditor does not discriminate on the basis of race,
religion, national origin, sex, age or disability*

Executive Summary

December 19, 1997

Honorable Kirk Fordice, Governor
Honorable Ronnie Musgrove, Lieutenant Governor
Honorable Tim Ford, Speaker of the House
Members of the Mississippi State Legislature

Dear Ladies and Gentlemen:

The past year has been extremely productive for the State Auditor's Office. We initiated and implemented the first ever performance audit of this agency. We have completed and issued the final phase of "Choices", the statewide performance audit, the first phase of which was released in January, 1995. Our Performance Audit Division also completed performance reviews of the state's involvement in addressing the problem of domestic violence, the Pat Harrison Waterway, the Board of Cosmetology and the Alcoholic Beverage Control Center of the State Tax Commission.

During fiscal year 1997, the Auditor's Investigative Division opened 331 cases of alleged misused or misappropriated public funds. These investigations resulted in the issuance of ninety exceptions totaling \$1,133,423.42. Of this amount demanded, we have currently collected \$115,063.84. Another \$100,000 was collected from demands issued the previous fiscal year. We are now working with the Attorney General's Office to recover the remainder through civil prosecution.

The Financial/Compliance Audit Division released 239 audits including those of counties, colleges, universities and school districts. Taxpayer's dollars involved in these audits exceeded four billion dollars. The division also released the state's Single Audit Report/Corrective Action Plan and expressed an opinion on the State of Mississippi's 1996 general purpose financial statements issued by DFA in the form of the Comprehensive Annual Financial Report (CAFR). Revenue audited in these efforts was nearly 7.2 billion dollars. While completing county audits, a number of exceptions were taken by our auditors. This resulted in the repayment of \$11,658 in inappropriately used public funds.

The agency's Average Daily Attendance Division verified the reporting of the state's 472,000 school children. This verification process resulted in a saving of 1.2 million dollars to the state. The division also issued thirty-seven letters of commendations to school districts across Mississippi.

Our Property Audit Division verified fixed assets in state agencies and universities valued at 1.3 billion dollars. Property audits were also completed in counties and for the first time ever, in school districts. Overall, the results of these efforts have been exceptional.

One of our most important duties is providing educational opportunities to public officials. Our Technical Assistance Division has conducted sixty-four training seminars throughout the state. We have answered over ten thousand verbal requests and issued more than one hundred position letters. We published and circulated 40,000 copies of our information newsletter. Our toll-free hot line for officials and public inquires continues to be of great benefit to our clients and taxpayers.

This letter can not contain all of the many accomplishments of the State Auditor's Office in the last fiscal year. I cannot adequately describe many of the successes such as our Internet web page which won a national award and is rated by LYCOS as one of the top 5% state government web pages in America. Nor can I do justice to all of the administrative staff who maintain the successful operation of this agency. I can only hope the attached report will provide you with the information you need to experience the duties and accomplishments of the Auditor's Office.

In closing, I would remind you that all of this was accomplished while returning \$56,000 from our 1997 fiscal budget to the General Fund.

In 1998, we are committing ourselves to even higher goals. We will work to lower the audit cost to local government, improve service through performance budgeting and management, protect the public's trust through aggressive investigations of alleged wrongdoing and use the most innovative techniques to verify the state's fixed assets and the daily attendance of it's school children. We will do our job with integrity, honesty and a commitment to excellence. We believe the taxpayers of Mississippi deserve no less.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Bryant". The signature is fluid and cursive, with a large initial "P" and "B".

Phil Bryant
State Auditor

PB/dm

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Office of the State Auditor

Primary Statutory Responsibilities

Section 134 of the Mississippi Constitution, adopted November 1, 1890, created the Office of the Auditor of Public Accounts, now the Office of the State Auditor. The Mississippi Code of 1972 (Annotated) grants the Office important responsibilities. Section 7-7-211 is the most comprehensive charging the Office with the following responsibilities and authority:

- ! identify and define generally accepted accounting principles for all public offices of the state and its subdivisions;
- ! prescribe systems of accounting, budgeting and financial reporting for all public offices of regional and local subdivisions of the state, assist in the installation of these systems;
- ! study and analyze existing managerial policies, methods, procedures, duties and services of state agencies and institutions upon written request of the Governor or the Legislature or its designee, and determine if operations can be eliminated, combined, simplified or improved;
- ! relative to the comprehensive annual financial report of the state, post-audit and, when necessary, pre-audit and investigate financial matters of departments, institutions, boards, commissions and other agencies of state government;
- ! post-audit and, when necessary, pre-audit and investigate financial matters of county governments, public school districts, junior college districts, levee boards, agencies created by the Legislature or by executive order, profit or nonprofit business entities administering programs financed by funds flowing through the state treasury or receiving grants from revenues collected by state governmental divisions and all other public bodies supported by funds derived in part or wholly from public funds, except municipalities;
- ! demand payment from public officers, employees, administrative bodies, individuals, partnerships, corporations or associations for amounts representing recovery of public funds improperly withheld, misappropriated or otherwise illegally expended and the value of public property disposed of in an unlawful manner, institute suit in any state court for demands not paid;
- ! investigate suspected violations of state laws by officers or employees of the state, counties or other public offices;
- ! with approval of a chancery or circuit court, issue subpoenas to examine records, etc. regarding persons, firms or other entities related to dealings with any state, county or other public entity;

- ! in lieu of conducting audits, examine audits of public hospitals or public school districts produced by certified public accountants. Provide audit programs and report formats to accountants conducting audits of public hospitals and public school districts;
- ! if funds are made available by the Legislature, contract for preparation of selected audits of departments, institutions, boards, commissions or other agencies of state government, county governments, public school districts, junior college districts and any other public bodies supported by public funds, except municipalities, provide audit programs and report formats to accountants conducting contract audits;
- ! establish training courses and programs for state and local government personnel under jurisdiction of the Office; and
- ! upon written request of the Governor or member of the Legislature, audit any state or federal funds received by any nonprofit corporation.

Other responsibilities are given to the Office throughout sections of the Mississippi Code. However, most of these are addressed within the responsibilities mentioned above. When new programs are created or funded by the Legislature, the Office is often given audit or system-prescribing responsibility.

Audit Responsibility

The above statutory responsibilities make the Office responsible for financial reporting of most public entities within the state. This entails either audit, review, recording, receipt, or investigative responsibility for over 1,000 entities in the following categories:

General State and Local Governments

General governments provide a wide range of services to their citizens and number the following:

State Agencies	125
Cities	290
Counties	82

Special-Purpose Governmental Entities

Most special-purpose governments provide a single, special service. Created by counties, municipalities or a combination of both, or by special legislation passed by the Legislature, all were designed to provide services not offered by individual general governments. In most cases, special-purpose governments are designed as authorities, agencies, boards or districts. Mississippi special-purpose governmental units include, but are not limited to, the following:

Airport Authorities	59
Colleges	15
Universities	8
District Attorneys	22
Drainage Districts	58
Economic Development Districts	138
Fire Protection Districts	85
Flood Control Districts	4
Hospitals	67
Housing Authorities	Local
Human Resource Agencies	27
Industrial Development Districts	35
Libraries	40
Mental Health Centers	15
Park Districts	7
Planning and Development Districts	10
Port Authorities	6
Public Building Authorities	Local
School Districts	149
Soil and Water Conservation Districts	79
Tourism Bureaus	40
Utility Districts	28

The Office maintains some oversight responsibility for each. In addition, other public and private entities fall within the Office's oversight when created or financially supported by Legislative appropriations, for a number of reasons some of these do not fall into one of the general categories listed above.

Office Customers

Based on analyzes of Mississippi statutes, the Office has identified and prioritized its customers to provide the above services in a manner to protect the public's interest. These include:

- 1) Citizens and taxpayers of the state of Mississippi
- 2) Legislative, Executive and Judicial Branches of state government
- 3) State and local governmental entities
- 4) Federal government
- 5) Other states

Citizens are prioritized as the most important Office customer, since providing services for and on their behalf are the reason government exists. The Office has primary responsibility for oversight of the taxpayers' state and often local government supporting funds. Therefore, the primary purpose of the Office is protection of the interests of its most important customer, the taxpayers.

The legislative, executive, and judicial branches of state government, along with the Office, exist to serve citizens and taxpayers. Therefore the Office provides valuable services to these branches in performing their services to the citizens of the state.

State and local governmental entities are the primary recipients of Office services with customers receiving benefits from the services provided by this Office. Although state agencies are a part of the executive, legislative and judicial branches, state agencies are also considered separate Office customers since they are the subject of audits and are not always directly accountable to citizens and taxpayers. Although the focus of day-to-day Office work relates to state and local governmental entities, benefits accrue to higher prioritized customers: taxpayers, and legislative, executive, and judicial branches.

Because the federal government provides certain funds to the state, the state has reporting responsibilities to the federal government. Additionally, the Office's audit field work and reporting standards are controlled by the federal government. Since other states occasionally use our reports in their work, they are also considered valued Office customers.

Office of the State Auditor's Mission

Based on the purpose intended for Office and the services the Office provides, the following mission statement was developed and published in fiscal year 1997:

The mission of the Office of the State Auditor is to serve its customers and protect the public's trust by independently assessing state and local governmental and other entities to ensure that public funds are properly received, are legally, effectively, and efficiently spent and are accounted for and reported accurately.

Divisions

The Office of the State Auditor is composed of eight divisions. These divisions report to the Audit Department Director, Norman McLeod and include; (Exhibit A, page 6)

Administrative Services Division (page 9)

Jeff Adcock, Director

Average Daily Attendance Audit Division (page 11)

Peggy B. Peterson, Director

Financial & Compliance Audit Division (page 12)

Ramona F. Hill, CPA, Director

Information Management Division (page 16)

Bennie Nutt, Director

Investigations Division (page 18)

Al Waits, Director

Performance Audit Division (page 20)

Mitchell Adcock, CPA, CIA, CFE, Director

Property Audit Division (page 22)

Bill Pope, Director

Technical Assistance Division (page 23)

Michael Keys, CPA, Director

Office Goals

In accomplishing its mission the Office of the State Auditor has established the following goals:

- ! Establish accounting and financial reporting systems for all regional and local governmental entities. Consult with State Fiscal Officer in the establishment of accounting and financial reporting systems for the state;

- ! Perform or contract the necessary financial, compliance, performance, and investigative audits in accordance with professional standards;
- ! Train public officials in methods of conducting their public offices in compliance with state law; and
- ! Comply with constitutional and statutory provisions.

The Office will accomplish these goals by:

- ! Providing timely financial and legal compliance audits of state agencies, counties, school districts and state supported colleges and universities;
- ! Providing timely technical assistance to representatives of state and local governments and the general public;
- ! Investigating state and local governments and government representatives and employees concerning legal compliance violations and accountability issues;
- ! Performing performance audits for state and local governments to improve accountability, economy and efficiency of government operations;
- ! Conducting state-wide property audits and performing average daily attendance counts for school districts; and
- ! Providing the Office, state and local governments assistance with their information management needs.

Professional Audit Standards

The Office is comprised of professional staff to perform a necessary function to protect the welfare and ensure the public trust. Because taxes are an involuntary requirement for the citizens of this great state, financial accountability and responsibility for an effective and efficient government are the responsibility of every public servant, including elected, appointed and employed. This public trust requires a diligent review and accounting for the financial reporting and performance of all entities entrusted with public funds. To perform this service, the Office complies with generally accepted government auditing standards (GAGAS) issued by the United States General Accounting Office and documented as Government Auditing Standards and generally accepted auditing standards (GAAS) published by the American Institute of Certified Public Accountants. The Office also abides by pronouncements of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) where applicable. Additionally, the Office participates in a peer review process whereby Office audits are periodically reviewed by other states' audit office personnel

for compliance with the above standards. Also the Office's finances are reviewed by the Legislative PEER Committee to ensure all financial matters are in order.

What does all this mean? The Office sets high standards of performance for the auditors it hires and the work they perform. The trust placed with the Office by the public is not taken lightly, nor the responsibility ignored. These standards and the reviews the Office undergo help ensure the quality of the work prepared and presented to the public administrators of the public funds and resources on behalf of the citizens of the state, who is our primary customer and to whom we acknowledge a great responsibility.

Administrative Services Division

The Administrative Services Division provides services for personnel matters, processing invoices, payroll, travel vouchers, and purchase orders for the Office. The Division bills entities for services rendered by the Office, prepares and administers the budget. The Division also procures all office equipment and supplies and maintains property records for all Office equipment.

Accomplishments for 1997

Accounting System

During the previous year, the Division implemented the Statewide Automated Accounting System (SAAS) used by the state. This on-line system provides budgetary and expenditure information in a more timely and useful manner.

Policies and Procedures Manual

The Division prepared a policies and procedures manual specifically focused on the employees of the Office. This manual supports the Office's effort to promote accountable government by addressing internal issues within the Office. This is important, since the Office holds other public entities responsible through our audits and investigations performed by other divisions of the Office.

Returning State Funds

During fiscal year 1997, the Office returned \$56,211 of its General Fund Appropriation to the State Treasurer. Appropriated and expended budget figures for fiscal year 1997 are shown in Exhibit B, page 10.

Average Daily Attendance Division

The Average Daily Attendance Division (ADA) was created to verify correct distribution of Minimum Foundation Program funds, a compliance function related to local school districts. ADA performs counts of school district pupils to determine the accuracy of school district attendance reports to the State Department of Education. By law, ADA performs a minimum of three unannounced counts of school children within designated units throughout the year. For 1997, 832 units were counted four times and 578 units were counted six times due to large discrepancies between the number of students on the rolls and the number of students present. School district reports are used by the State Department of Education to allocate Minimum Program Funds to local school districts. In 1997, the Minimum Foundation Program distributed \$957,384,861 (34.12%) of the state's entire general fund budget to support local school districts.

Accomplishments for 1997

During 1997, ADA accomplished the following:

- ! Issued and distributed the Average Daily Attendance Comprehensive Annual Report to the Governor, State Board of Education members, Public School Building Fund members, and local school district superintendents;
- ! Identified student count errors which saved the state \$1.2 million;
- ! Completed 10,142 student counts encompassing 1,870,000 school children;
- ! Calculated average daily attendance at 471,952 for school year 1996-1997;
- ! Issued 37 letters of commendations to school districts; and
- ! Performed property audits for local school districts under the direction of the Property Audit Division;

Financial and Compliance Audits Division

The Financial and Compliance Audits Division employs a majority of the employees of the Office and produces most of its published work. The Division is responsible for performing audits on eighty-two counties, fifteen colleges and eight universities, one-hundred-forty-nine local schools, and one-hundred-twenty-five state agencies. In addition to these audits, the Division maintains and reviews financial information on other governmental entities within the state such as tourism boards, District Attorneys, libraries, drainage districts, fire protection districts, airports, special legislative appropriated items, e.g. other entities granted public funds but not specifically a part of the above audited. To perform these audit duties, the Division is organized into three sections:

County Audit Section
Ed Yarborough, Director

Education Audit Section
Brent Ballard, Director

State Agency Audit Section
Bill Doss, Director

Effective January 1, 1998, the Financial and Compliance Audit Division will also include EDP Audit and Report Processor Sections to better serve the Office. Through this division, the Office accomplishes its primary statutory duties of:

- ! examine state and local government financial records and statements for accuracy and reliability;
- ! review, evaluate, and test state and local government control systems to
 - ensure the safeguarding of assets,
 - the legality, accuracy, and reliability of financial transactions, records and statements
 - encourage adherence to prescribed management control policies;
- ! audit and issue opinions on reported financial matters;
- ! issue the State's Single Audit Report;
- ! audit governmental entities seeking reimbursement for disaster losses;
- ! review colleges/universities', school districts' and municipalities' financial statements prepared by CPAs but unaudited by the Office;

! provide assistance to municipalities with financial difficulties.

To reduce travel time and expenses, the Division maintains staff in Jackson, with branch offices in Grenada and Ellisville. Attachment A, pages 25-31, includes a listing of financial and compliance audits released by the Division for fiscal year ending June 30, 1997.

County Audit Section

The County Audit Section is responsible for audits of the 82 Mississippi counties. During fiscal year 1997, the County Audit Section released sixty-five audit reports. Also during this period, the County Audit Section supervised ten county audit reports released by CPA firms under contract to the Office. Attachment B, pages 32 & 33, includes a list of county audit reports released in fiscal year ended June 30, 1997 with the counties' total revenues, expenditures, assets, and long-term debt.

Education Audit Section

The Education Audit Section consists of auditors responsible for college and university audits and another group of auditors responsible for local school district audits. College and university auditors conduct audits for fifteen public colleges, the Board of Trustees of the Institutions of Higher Learning, and eight public universities and their divisions. During fiscal year 1997, the Section audited and released reports for the eleven colleges and eight universities. Colleges and universities not audited by this Section were audited by CPA firms under contracts supervised by the Education Section. Five college and two university CPA audit reports were released during fiscal year 1997.

The Section is also responsible for conducting annual audits of the 149 public school districts in the state. During fiscal year 1997, the Section audited and released 32 audit reports. Public school districts not audited by this Section are audited by CPA firms under contracts supervised by the Education Audit Section. One-hundred-six school district CPA audits reports were released during fiscal year 1997. Attachment C, pages 33-37, includes a listing of universities, colleges, and local school districts financial and compliance audits released by the Division for fiscal year ending June 30, 1997, including summary financial information.

State Agency Section

The State Agency Section conducts financial and legal compliance audits of approximately 125 state agencies, boards and commissions. To provide audit coverage for the State's Comprehensive Annual Financial Report (CAFR) and its Single Audit Report, the division performs annual audits in forty to fifty state agencies. Certified public accounting firms assist the Section's audit effort by auditing a small number of agencies.

Goals and Objectives

- * Perform more efficient and effective audits while maintaining current audit status.
- * Establish and staff a full-time municipal division to address the municipalities needs, supply technical help to CPA firms conducting municipal audits and provide training to municipal employees.
- * Increase the use of computers.
- * Provide staff training on new technical pronouncements.
- * Reduce time between the completion of fieldwork and the issuance of report.
- * Revise various manuals for the professional staff and local government officials.
- * Improve communications with CPA firms performing municipal audits and initiate reviews of municipal audits to improve report quality.

Accomplishments for 1997

- !** During fiscal year 1997, the County Audit Section released 75 audit reports. The reports covered revenues in excess of \$768.4 million, expenditures in excess of \$838.5 million, assets in excess of \$2 billion and long-term debt in excess of \$578.4 million. Of these amounts, audit coverage of approximately \$133.6 million revenues, \$142.1 million expenditures, \$316.8 million assets and \$128.6 million debt was provided by CPA firms.
- Also during these audits, the County Audit Section issued eleven exceptions for repayment of \$11,658 in inappropriately used public funds. (Not included in exceptions issued by Investigations Division on page 19 of this report.)
- !** During fiscal year 1997, College and University Audits in the Education Section released 16 college audit reports. The reports covered current fund revenues in excess of \$299.5 million, expenditures in excess of \$287 million, assets in excess of \$57.9 million and plant fund assets in excess of \$406.5 million. Of these amounts, audit coverage of approximately \$94.6 million current fund revenues, \$89.2 million current fund expenditures, \$18.6 million current fund assets and \$151.5 million plant fund assets was provided by CPA firms. The Education Section also released ten university audit reports. The reports covered current fund revenues of approximately \$1.2 billion, expenditures of approximately \$1.1 billion, assets of approximately

\$329.1 million and plant fund assets of \$1.4 billion. Of these amounts, audit coverage of approximately \$111.7 million current fund revenues, \$106.7 million current fund expenditures, \$31.8 million current fund assets, and \$121.7 million plant fund assets was provided by CPA firms.

- ! During fiscal year 1997, School Audits in the Education Section released 138 school district audits. The reports covered revenues in excess of \$1.7 billion, expenditures in excess of \$1.8 billion, assets in excess of \$2.5 billion and long-term debt in excess of \$464.3 million. Of these amounts, audit coverage of approximately \$1.3 billion revenues, \$1.4 billion expenditures, \$1.9 billion assets and \$335.9 million debt was provided by CPA firms.
- ! During fiscal year 1997, Mississippi's 1996 CAFR and Single Audit Report/Corrective Action Plan were released. The State Agency Section was responsible for auditing revenues of approximately \$7.2 billion, including approximately \$2.7 billion of federal revenues; expenditures of approximately \$6.9 billion; assets of approximately \$19.4 billion; and long-term debt of approximately \$1.3 billion.
- ! Staff in the Division assisted the Training Officer in conducting required training sessions for professional staff.
- ! Staff in the Division revised accounting and auditing manuals as necessary to comply with federal regulations and audit standards.

Information Management Division

The Information Management Division is responsible for providing information technology and services to all employees of the Office of the State Auditor and other governmental entities that must comply with Office-issued requirements. The Division also conducts computer training, assists auditors with electronic data processing (EDP) audit reviews, procures computer hardware and software, develops and supports computerized applications, and provides technical support to the Office staff. The Division supports the Office by:

- ! Increasing Office employee productivity through automation;
- ! Improving technological support for all Office staff by focusing on service for the Office;
- ! Enhancing computer applications and implementing new information systems for other divisions;
- ! Assisting other divisions applying technology in performing audits;
- ! Procuring and implementing state-of-the-art hardware and software; and
- ! Educating Office staff in the use of information technology.

Accomplishments for 1997

Over the last year, the Division has successfully implemented several projects to improve the Office operations.

Network Installation

The Division successfully upgraded and migrated the existing data from the old Novell Network to Intra network Novell 4.11. This upgrade provides the office with the latest technology, management, and speed for computer operations. As rapidly as the computer equipment and software changes, it is imperative the Office maintain a competitive computer system to provide services. This upgrade should allow the Office to stay current with technological changes for the next three years, a considerably long time in today's environment.

Field Auditors

Due to the demands placed on the current field audit work force, there is constant need to provide updated equipment. The Division upgraded all Office field auditors with Pentium laptop computers

to enable field auditors to perform jobs in the field, saving time and resources. The Division provided current software and the necessary training for each auditor. All computer equipment meets standards to make the Office competitive, provide audit services and satisfy concerns associated with entering the 21st century.

Web Server

The Division upgraded the Web Server to Windows NT, enabling the Office to place unlimited information on the Internet. Our intent is to use the Internet as an additional working resource where information can be transferred to field auditors for financial/compliance, property, and performance audits in addition to maintaining property records by government entities. The Office currently publishes reports on the Internet and hopes to expand that process.

Future Plans

In the next fiscal year the Division plans to replace remaining Windows 3.1 workstations with Windows 95 workstations. Additionally, the Division is pursuing modem lines and purchasing phone modems so audit reports from around the state can be downloaded directly to the main Office computers, expediting the audit report process. The Division also is pursuing a paperless audit process, further reducing audit costs. These advances should cut travel cost and enable more effective use of the Office personnel. The Division is also encouraging other agencies to install bar codes on all equipment. This should reduce audit time and enable agencies to more effectively track their assets.

Investigations Division

The Investigations Division is responsible for investigating allegations or suspected violations of the laws of the State of Mississippi by any state, county or local public officials or other individuals responsible for public assets. The primary focus of the Division is the misuse or misappropriation of public assets in the purchase, sale or use of any supplies, services, equipment or other property. Complaints are received from public officials, private citizens, auditors, and anonymous or public sources. Any information concerning possible violations should be forwarded to:

Investigations Division, Office of the State Auditor
3750 I-55 N. Frontage Road
Jackson, MS 39211

or by calling (601) 364-2888 and asking for the Investigations Division.

The Division's primary purpose is to deter and detect misused or misappropriated public assets. When maintaining an investigative staff does not deter the misuse of public assets, this staff assures proper use of public assets through recoveries and prosecution when violations are detected. Based on a study conducted by the Association of Certified Fraud Examiners, the average organization loses about 6 percent of its total annual revenue to fraud and abuse committed by its own employees and management. Government waste, fraud and abuse represent a hidden tax on every family in Mississippi. This Division's responsibility is to cut that hidden tax.

Accomplishments for 1997

During fiscal year 1997, the Investigations Division opened 331 cases of allegedly misused or misappropriated public assets. Of the cases opened, the allegations concerned:

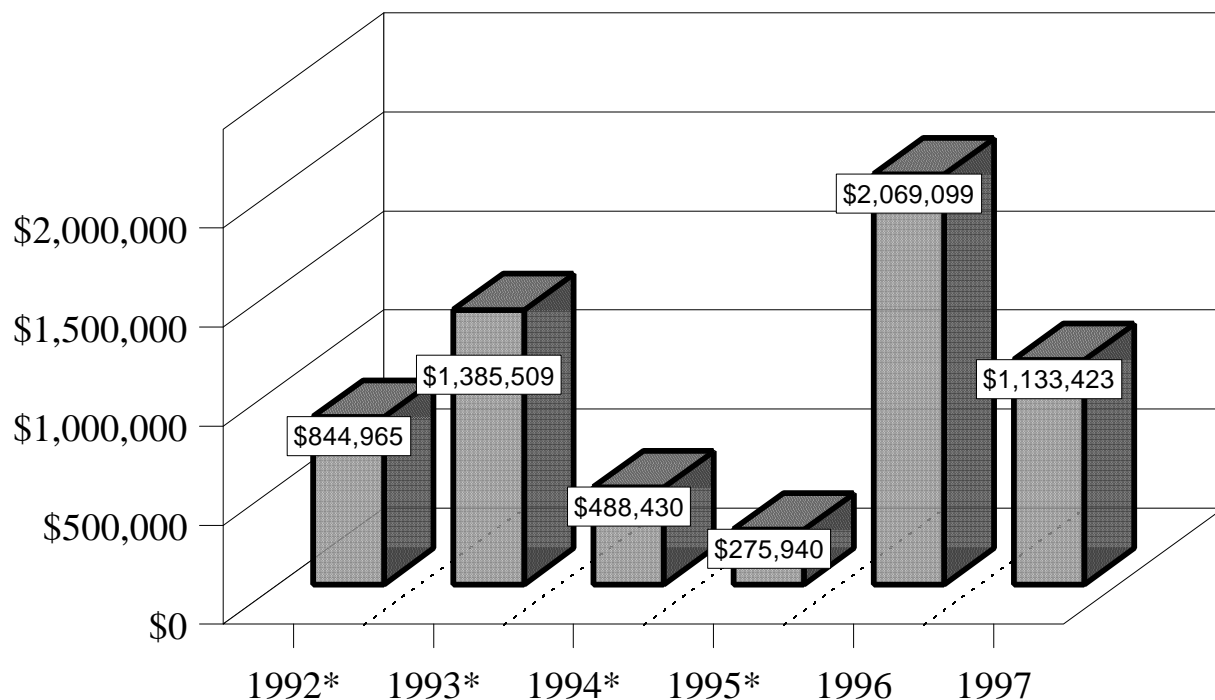
Counties	208
Municipalities	64
State Agencies	28
Public School Districts	23
College & Universities	<u>8</u>
Total	331

During fiscal year 1997, the Investigations Division:

- ! issued ninety exceptions totaling \$1,133,423.42 and collected \$115,063.84;
- ! issued forty-seven written demand letters for \$1,018,359.58;
- ! collected \$100,000 from previous year exceptions;
- ! requested the Attorney General prosecute twelve cases that included forty-seven demands; and
- ! closed seventy cases.

As demonstrated by the graph below, the Investigations Division strives to apprehend and make accountable public officials, employees and private citizens who abuse public assets.

Exceptions for Fiscal Years 1992-1997



* - Previous year 1992-95 exception information was reported for calendar year. 1996 and 1997 information is reported for fiscal year as required by §27-101-1, Mississippi Code of 1972.

Performance Audit Division

The Performance Audit Division was created in January 1992 to provide services to the Office, state and local government, and citizens. According to Government Auditing Standards issued by the Comptroller General of the United States, performance auditing is:

the assessment of the performance of organizations, programs, activities, and functions in order to provide information to improve accountability and facilitate decision-making.

Such effort can make government more accountable to taxpayers by determining its effectiveness (does the agency get the intended job done) and efficiency (does the agency waste resources in accomplishing the intended job). Performance audits concentrate on laws and governing regulations, program purposes/goals, amount of resources, program operations, outputs and outcomes (the final results produced by a program). This information is necessary to effectively manage governmental agencies, monitor their activities and provide them with adequate funding.

Accomplishments for 1997

During the previous year the Department provided services to:

- ! the Office through internal reviews intended to improve operation; these include an *Internal Management Review Jackson Office Location and Satellite Offices*, *An Internal Review of the Office of the State Auditor's Mission Statement and Statutory Responsibilities* and *An Internal Review of the Office of the State Auditor's Organizational Structure and Staffing*. The Department also assisted development of a Standard Operating Procedure Manual (SOP) for the Property Division.
- ! the Office through special projects such as the preparation of the *Special Study of Motor Pool Estimated Cost and Policies and Procedures*, *Mississippi's Proposed False Claims Act* and its *1997 Annual Report*;
- ! the Governor's Commission on Criminal Justice Reform by providing staff support, authoring clarifying memoranda, performing issue research and issuing two reports: *Governor's Commission on Criminal Justice Reform in Mississippi, Topic: Victims' Rights* and *Topic Death Penalty Issues*. The staff also provided support to the Domestic Violence Task Force which was created as a result of the *Performance Audit on Domestic Violence: The State of Mississippi's Involvement in Addressing the Problem*, issued in 1997.
- ! citizens and state government by reviewing personal services contracts to determine if state agencies monitor services and the allocation of sixteenth section funding to determine if fund distribution complies with state law;

- ! state agencies which would not ordinarily have funding for or access to performance audit expertise, e.g., a *Department of Agriculture and Commerce*, *Performance Audit of the Board of Cosmetology*, *A Review of Inventory Procedures of the Alcoholic Beverage Control Center of the State Tax Commission* and *A Review of the Pat Harrison Waterway District's Personnel Cost Allocation Methodology*; and
- ! local government, including a *Review of the Hinds County Central Repair Shop*, *Performance Audit of the Jones County School District*, a *Study of Methods of Collecting Fees Assessed for Garbage Services in Local Governments in the State of Mississippi* and phase one of *A Performance Review of the City of Brandon's City Clerk Operations*.

This list of completed or in-progress projects does not include all Division functions. Our goal is to promote efficient and effective government by providing fair assessments for the improvement of government.

Property Audit Division

The purpose of the Property Audit Division is to protect the public's trust by independently assessing state and local governmental entities to ensure that public property is properly procured, effectively managed in its dispersal and disposal and proper procedures are lawfully followed regarding the addition and deletion of fixed assets. In addition to verifying the existence of fixed assets, the Property Audit Division is responsible for maintaining a master inventory of fixed assets and periodically auditing state and local government asset maintenance records.

Accomplishments for 1997

This Division performs its duties and responsibilities in conformity with statutory mandates as set forth in Section 29-9-1, Mississippi Code of 1972 (Annotated). The primary focus of the Division is the verification of assets. In fiscal year 1997, the Division initiated property audits (verification) of fixed assets as follows:

State Agencies and Universities audits -	85 (assets valued at \$1.3 billion)
County Government audits -	27
School Districts -	85 (performed by ADA staff)

The Division maintains a master state-wide inventory for all assets owned by state agencies and universities. All reports for addition, deletion, and adjustment of assets by agencies and universities are submitted to the Division where the reports are reviewed and verified for accuracy.

The Division offers training and certification in fixed asset management. The Division also publishes and distributes annually revised property manuals for use by asset managers, to ensure continued effectiveness, statutory amendments, rule changes, and management techniques.

Technical Assistance Division

The Technical Assistance Division was established to provide a mechanism through which state and local government officials can receive guidance to help comply with the many financial-and-compliance-related laws and regulations they enforce. This service enables the public officials to address and resolve questions or minor problems before they result in misappropriated or misused public funds or resources.

The Division's staff of four certified public accountants provide oral and/or written answers to literally thousands of inquires annually. The staff also conducts specialized training to update officials of the latest changes in laws and regulations that affect their jobs maintaining the public's resources and trust.

Accomplishments for 1997

During fiscal year 1997, the Division performed the following services:

- ! Answered over 10,000 oral request for technical assistance;
- ! Issued more than 100 position letters, informing individual public officials on how the Office interprets and plans on enforcing specific provisions of the law;
- ! Conducted sixty-four training seminars throughout the state, including educating;
 - City Officials
 - Chancery and Circuit Clerks
 - Chiefs of Police
 - County Administrators and Comptrollers
 - County Board Attorneys
 - County Supervisors
 - Election Commissioners
 - Fire Department Officials
 - Justice Court Clerks
 - Municipal Clerks
 - Narcotics Task Forces
 - Purchasing Clerks
 - Property Officers
 - Receiving Clerks
 - Sheriffs
 - Tax Assessors and Collectors

- ! Published and circulated over 40,000 copies of the Division's monthly information newsletter, Technicalities;
- ! Revised forms for tax collectors, chancery and circuit clerks; and
- ! Updated court assessment guidelines and new DUI traffic ticket.

Toll-Free Hotline

In 1988, the Office implemented a toll-free hotline, providing public officials from all over the state direct access to the Technical Assistance staff at no charge. This line was developed to ensure all public officials can contact the Office with their concerns. The direct toll-free number for technical assistance is:

1-800-321-1275

Attachment A

**Office of the State Auditor
Financial and Compliance Audits Released**

Office of the State Auditor
Financial and Compliance Audits Released
During the Year Ended June 30, 1997

<u>Governmental Entity</u>	<u>Fiscal Period Ended</u>
Reports Released in July, 1996	
Jefferson Davis County	September 30, 1995
Monroe County	September 30, 1995
Rankin County	September 30, 1995
Tallahatchie County	September 30, 1995
Copiah County School District	June 30, 1995
East Tallahatchie School District	June 30, 1995
Houston School District	June 30, 1995
Kemper County School District	June 30, 1995
Madison County School District	June 30, 1995
Noxubee County School District	June 30, 1995
Oktibbeha County School District	June 30, 1995
Quitman School District	June 30, 1995
Smith County School District	June 30, 1995
Tupelo Public School District	June 30, 1995
Webster County School District	June 30, 1995
Western Line School District	June 30, 1995
Alcorn State University	June 30, 1995
Reports Released in August and September, 1996	
Chickasaw County	September 30, 1995
Covington County	September 30, 1995
Franklin County	September 30, 1995
Hancock County	September 30, 1995
Hinds County	September 30, 1995
Lowndes County	September 30, 1995
Scott County	September 30, 1995
Stone County	September 30, 1995
Yalobusha County	September 30, 1995
Booneville School District	June 30, 1995
Calhoun School District	June 30, 1995
Chickasaw County School District	June 30, 1995
Cleveland School District	June 30, 1995

(Continued... Audits Reports Released in August & September, 1996)

East Jasper School District	June 30, 1995
Grenada School District	June 30, 1995
Harrison County School District	June 30, 1995
Hazlehurst City School District	June 30, 1995
Jackson County School District	June 30, 1995
Leake County School District	June 30, 1995
Lee County School District	June 30, 1995
McComb School District	June 30, 1995
Natchez-Adams County School District	June 30, 1995
Neshoba County School District	June 30, 1995
Nettleton School District	June 30, 1995
New Albany School District	June 30, 1995
North Panola County School District	June 30, 1995
North Tippah County School District	June 30, 1995
Philadelphia School District	June 30, 1995
Pontotoc County School District	June 30, 1995
South Panola School District	June 30, 1995
Stone County School District	June 30, 1995
Tunica County School District	June 30, 1995
Vicksburg-Warren School District	June 30, 1995
Water Valley School District	June 30, 1995
West Jasper County School District	June 30, 1995
West Point School District	June 30, 1995
Winona School District	June 30, 1995
Mississippi Delta Community College	June 30, 1995
Southwest Mississippi Community College	June 30, 1995
Southwest Development Foundation	June 30, 1995

Reports Released in October, 1996

Lamar County	September 30, 1995
Quitman County	September 30, 1995
Wayne County	September 30, 1995
Yazoo County	September 30, 1995
Bay St. Louis-Waveland School District	June 30, 1995
Benoit School District	June 30, 1995
Biloxi School District	June 30, 1995
Forrest County Agricultural High School	June 30, 1995
Jones County School District	June 30, 1995
Lumberton School District	June 30, 1995
Montgomery County School District	June 30, 1995

Continued... Audits Reports Released in October, 1996)

Pontotoc City School District	June 30, 1995
Richton School District	June 30, 1995
(South Tippah School District	June 30, 1995
Wayne County School District	June 30, 1995
Yazoo County School District	June 30, 1995
East Central Community College	June 30, 1995
Gulf Coast Community College	June 30, 1995
University of Mississippi	June 30, 1995

Audits Reports Released in November, 1996

Carroll County	September 30, 1995
Itawamba County	September 30, 1995
Jasper County	September 30, 1995
Jones County	September 30, 1995
Lafayette County	September 30, 1995
Neshoba County	September 30, 1995
Newton County	September 30, 1995
Simpson County	September 30, 1995
Walthall County	September 30, 1995
Winston County	September 30, 1995

Choctaw County School District	June 30, 1995
Franklin County School District	June 30, 1995
Greene County School District	June 30, 1995
Greenville School District	June 30, 1995
Hinds County School District	June 30, 1995
Jefferson Davis School District	June 30, 1995
Marion County School District	June 30, 1995
Monroe County School District	June 30, 1995
North Bolivar School District	June 30, 1995
Simpson County School District	June 30, 1995
West Bolivar School District	June 30, 1995
Mississippi State University	June 30, 1995

Audits Reports Released in December, 1996, January & February, 1997

Expressed opinion on State of Mississippi general purpose financial statements issued by DFA in the form of the Comprehensive Annual Financial Report (CAFR)	June 30, 1996
Amite County	September 30, 1995

(Continued... Audits Reports Released in December, 1996, January & February, 1997)

Bolivar County	September 30, 1995
Clay County	September 30, 1995
Copiah County	September 30, 1995
Grenada County	September 30, 1995
Harrison County	September 30, 1995
Jackson County	September 30, 1995
Lawrence County	September 30, 1995
Lincoln County	September 30, 1995
Marion County	September 30, 1995
Oktibbeha County	September 30, 1995
Pike County	September 30, 1995
Pontotoc County	September 30, 1995
Sharkey County	September 30, 1995
Smith County	September 30, 1995
Sunflower County	September 30, 1995
Tippah County	September 30, 1995
Tunica County	September 30, 1995
Warren County	September 30, 1995

Alcorn County School District	June 30, 1995
Amite County School District	June 30, 1996
Baldwyn School District	June 30, 1996
Benton County School District	June 30, 1996
Brookhaven School District	June 30, 1996
Calhoun County School District	June 30, 1996
Canton Public School District	June 30, 1995
Clay County School District	June 30, 1996
Clinton School District	June 30, 1996
Coahoma County School District	June 30, 1996
Columbia School District	June 30, 1996
Corinth School District	June 30, 1996
Drew School District	June 30, 1995
East Jasper County School District	June 30, 1996
Enterprise School District	June 30, 1995
George County School District	June 30, 1996
Greenwood Public School District	June 30, 1996
Hattiesburg School District	June 30, 1996
Holly Springs School District	June 30, 1996
Jefferson County School District	June 30, 1996
Jones County School District	June 30, 1996
Lowndes County School District	June 30, 1995
Lawrence County School District	June 30, 1996

(Continued... Audits Reports Released in December, 1996, January & February, 1997)

McComb School District	June 30, 1996
Mound Bayou School District	June 30, 1995
Newton Municipal School District	June 30, 1996
Perry County School District	June 30, 1995
South Panola School District	June 30, 1996
Walthall County School District	June 30, 1995
West Tallahatchie School District	June 30, 1996
Western Line School District	June 30, 1996
Yazoo City School District	June 30, 1995
Copiah-Lincoln Community College	June 30, 1996
East Mississippi Community College	June 30, 1996
Jones County Junior College	June 30, 1995/1996
Northwest Mississippi Community College	June 30, 1996
Pearl River Community College	June 30, 1995
Board of Trustees of the State Institutions of Higher Learning	June 30, 1995
Gulf Coast Research Laboratory	June 30, 1995
Jackson State University	June 30, 1995
Mississippi University for Women	June 30, 1995

Audits Reports Released in March, April and May, 1997

Alcorn County	September 30, 1995
Amite County	September 30, 1996
Attala County	September 30, 1995
Calhoun County	September 30, 1995
Claiborne County	September 30, 1995
Coahoma County	September 30, 1995
Choctaw County	September 30, 1995
Holmes County	September 30, 1995
Humphreys County	September 30, 1995
Issaquena County	September 30, 1995
Jefferson County	September 30, 1995
Lauderdale County	September 30, 1996
Leake County	September 30, 1995
Leflore County	September 30, 1995
Madison County	September 30, 1995
Marshall County	September 30, 1995
Montgomery County	September 30, 1995
Neshoba County	September 30, 1996
Panola County	September 30, 1995
Pike County	September 30, 1996
Tate County	September 30, 1995

(Continued... Audits Reports Released in March, April, & May, 1997)

Union County	September 30, 1995
Washington County	September 30, 1995
Webster County	September 30, 1995
Wilkinson County	September 30, 1995
Amory School District	June 30, 1996
Aberdeen School District	June 30, 1996
Attala County School District	June 30, 1996
Biloxi Public School District	June 30, 1996
Clarksdale School District	June 30, 1996
Coffeeville School District	June 30, 1996
Columbus Municipal School District	June 30, 1996
DeSoto County School District	June 30, 1996
East Tallahatchie County School District	June 30, 1996
Forrest County Agricultural High School	June 30, 1996
Gulfport School District	June 30, 1996
Hollandale Consolidated High School	June 30, 1996
Itawamba County School District	June 30, 1996
Kosciusko School District	June 30, 1996
Lafayette County School District	June 30, 1996
Lauderdale County School District	June 30, 1996
Laurel School District	June 30, 1996
Lumberton School District	June 30, 1996
Meridian School District	June 30, 1996
Noxubee County School District	June 30, 1996
New Albany School District	June 30, 1996
Newton County School District	June 30, 1996
Okolona School District	June 30, 1996
Ocean Springs School District	June 30, 1996
Pass Christian School District	June 30, 1996
Perry County School District	June 30, 1996
Pontotoc County School District	June 30, 1996
South Delta School District	June 30, 1996
Tate County School District	June 30, 1996
Tunica County School District	June 30, 1996
Water Valley School District	June 30, 1996
West Jasper Consolidated School District	June 30, 1996
Coahoma Community College	June 30, 1996
Holmes Community College	June 30, 1995
Mississippi Delta Community College	June 30, 1996
Northeast Mississippi Community College	June 30, 1996
Mississippi Valley State University	June 30, 1996

Audits Reports Released in June, 1997

Covington County	September 30, 1996
Hancock County	September 30, 1996
Hinds County	September 30, 1996
Lamar County	September 30, 1996
Canton Separate School District	June 30, 1996
Claiborne County School District	June 30, 1996
Humphreys County School District	June 30, 1996
Montgomery County School District	June 30, 1996
North Tippah School District	June 30, 1996
Oxford School District	June 30, 1996
Pontotoc City School District	June 30, 1996
Quitman School District	June 30, 1996
Richton School District	June 30, 1996
Scott County School District	June 30, 1996
Stone County School District	June 30, 1996
Meridian Community College	June 30, 1996
University of Mississippi Medical Center	June 30, 1996
University of Southern Mississippi	June 30, 1996
State of Mississippi Single Audit Report/ Corrective Action Plan	June 30, 1996

Source: Financial & Compliance Audit Division, Office of the State Auditor

Attachment B

Counties Audited by the Office of the State Auditor

Summary Financial Information

Counties Audited by the Office of the State Auditor
State Fiscal Year Ended June 30, 1997

<u>Year</u>	<u>County</u>	<u>Revenues *</u>	<u>Expenditures *</u>	<u>Total Assets</u>	<u>Total Long-Term Debt</u>
1995	Alcorn	\$8,475,256	\$9,343,390	\$12,747,185	\$3,219,473
1995	Amite	3,550,681	3,730,703	7,927,163	933,397
1996	Amite	4,236,006	5,026,936	9,951,800	1,492,531
1995	Attala	5,946,455	5,475,569	16,380,015	1,031,330
1995	Calhoun	3,752,126	5,006,995	9,495,207	1,768,648
1995	Carroll	3,493,576	3,512,619	8,971,948	2,154,483
1995	Chickasaw	5,785,041	7,728,205	14,707,196	3,279,780
1995	Choctaw	2,530,445	2,677,850	4,564,081	713,643
1995	Claiborne	7,433,961	7,353,639	10,692,345	5,532,020
1995	Clay	4,487,343	4,540,896	11,653,707	1,580,201
1995	Coahoma	12,508,473	9,989,760	27,803,430	8,743,455
1995	Covington	5,826,986	5,855,672	7,352,308	236,503
1996	Covington	5,449,756	4,624,508	8,789,374	226,465
1995	Franklin	3,678,085	3,495,017	10,139,379	1,175,942
1995	Grenada	7,262,605	8,098,340	27,699,622	5,284,607
1995	Hancock	15,316,395	14,754,962	35,143,314	6,237,457
1996	Hancock	14,601,962	13,377,029	37,186,214	5,925,236
1995	Harrison	57,982,870	61,056,304	175,330,589	66,902,866
1995	Hinds	46,746,534	56,472,700	137,724,510	37,430,008
1996	Hinds	50,085,688	56,251,611	141,165,014	40,054,344
1995	Holmes	5,434,941	5,552,977	12,019,697	2,360,037
1995	Issaquena	1,526,843	1,615,710	2,830,700	462,283
1995	Itawamba	4,479,634	5,278,332	13,181,972	2,174,623
1995	Jasper	4,449,118	4,923,407	10,112,567	1,517,381
1995	Jefferson	2,928,819	4,238,985	10,914,252	2,958,391
1995	Jefferson Davis	4,328,698	4,267,890	13,987,914	20,000
1995	Jones	14,939,776	16,397,826	34,152,978	11,334,956
1995	Lafayette	8,619,765	8,206,310	34,313,493	7,142,789
1995	Lamar	8,893,599	12,309,728	17,812,954	6,627,805
1996	Lamar	10,570,294	13,538,698	29,520,721	11,937,591
1996	Lauderdale	17,635,817	16,749,313	56,675,792	21,032,726
1995	Lawrence	4,721,408	4,154,972	9,150,339	2,063,634
1995	Leake	5,363,484	4,684,097	12,320,141	638,890
1995	Leflore	14,215,052	16,982,070	34,786,453	14,687,099
1995	Lowndes	19,116,302	21,923,086	47,136,386	13,039,220
1995	Marion	5,530,364	5,583,247	10,460,978	400,476
1995	Monroe	9,244,158	12,055,992	36,519,671	5,462,876
1995	Montgomery	3,520,305	3,372,158	15,822,207	1,409,660
1995	Neshoba	5,220,424	8,425,939	16,657,372	5,593,471
1996	Neshoba	5,965,494	6,690,376	23,873,902	9,037,796
1995	Newton	4,548,580	4,947,973	10,286,222	1,959,436
1995	Oktibbeha	7,546,151	7,112,412	33,231,695	4,568,468
1995	Panola	9,114,033	10,024,496	27,563,300	5,082,503
1995	Pike	9,457,561	9,181,837	20,994,206	493,735
1996	Pike	11,145,615	11,295,547	32,894,982	9,058,253

Counties Audited by the Office of the State Auditor
State Fiscal Year Ended June 30, 1997

<u>Year</u>	<u>County</u>	<u>Revenues *</u>	<u>Expenditures *</u>	<u>Total Assets</u>	<u>Total Long-Term Debt</u>
1995	Pontotoc	5,153,364	5,595,932	9,719,374	797,620
1995	Quitman	3,832,604	5,053,158	11,165,985	2,185,828
1995	Rankin	28,588,509	40,172,861	72,827,353	32,744,896
1995	Scott	7,345,914	6,944,692	12,314,593	2,341,521
1995	Sharkey	2,820,768	2,410,426	4,910,249	732,591
1995	Simpson	6,094,462	9,144,596	15,049,732	5,235,592
1995	Smith	4,258,254	3,823,935	6,129,661	426,090
1995	Stone	3,468,657	4,006,832	7,816,318	3,351,646
1995	Sunflower	6,813,761	6,662,345	14,412,376	4,073,454
1995	Tallahatchie	4,001,932	5,064,763	9,088,443	1,068,721
1995	Tunica	24,936,910	20,492,183	27,604,565	75,150
1995	Union	5,294,210	6,134,865	21,601,200	3,380,118
1995	Walthall	3,568,579	3,700,734	8,496,458	1,568,893
1995	Warren	16,634,310	17,841,038	44,115,960	7,369,419
1995	Washington	18,736,733	18,485,336	49,020,579	16,360,311
1995	Wayne	5,150,292	6,842,897	22,774,471	6,919,990
1995	Webster	3,032,275	3,275,273	4,910,103	589,020
1995	Winston	4,260,707	4,938,287	21,362,674	6,480,910
1995	Yalobusha	3,822,819	3,936,872	11,756,839	1,332,866
1995	Yazoo	9,363,686	14,065,941	36,571,411	17,773,248
TOTAL BY OSA:		\$634,845,225	\$696,479,049	\$1,694,293,639	\$449,794,372
Counties Audited by CPA Firms					
1995	Bolivar	12,644,455	14,193,463	26,157,273	10,394,429
1995	Copiah	7,209,419	5,598,150	14,921,879	2,100,046
1995	Humphreys	3,625,992	4,384,705	11,339,317	4,051,072
1995	Jackson	62,029,932	61,993,058	114,677,549	61,728,533
1995	Lincoln	7,130,508	7,056,105	13,847,218	856,866
1995	Madison	18,562,974	23,251,786	85,013,194	37,786,183
1995	Marshall	7,368,307	8,738,010	17,744,263	3,709,886
1995	Tate	6,334,026	7,130,179	21,647,788	5,024,322
1995	Tippah	5,287,872	6,034,539	7,518,171	1,595,204
1995	Wilkinson	3,417,130	3,716,579	3,964,069	1,363,609
TOTAL BY CPAs:		\$133,610,615	\$142,096,574	\$316,830,721	\$128,610,150
GRAND TOTAL:		<u>\$768,455,840</u>	<u>\$838,575,623</u>	<u>\$2,011,124,360</u>	<u>\$578,404,522</u>

* - Includes Governmental Funds and Expendable Trust Funds

Source - Financial and Compliance Audit Division, Office of the State Auditor

Attachment C

**Universities/Colleges/Schools Audited by
the Office of the State Auditor**

Summary Financial Information

**Universities Audited by the Office of the State Auditor
State Fiscal Year Ended June 30, 1997**

Year	University	Revenues & Other Additions*	Expenditures & Other Deduct.*	Tuition & Fees **	State Appropriations **	Total Assets*	Plant Fund Total Assets
1995	Alcorn State	\$45,333,001	\$40,329,315	\$7,389,096	\$17,873,365	\$24,100,159	\$62,207,155
1995	Gulf Coast Research	9,481,363	9,095,526	69,482	3,361,434	1,958,953	14,781,990
1995	IHL-Board of Trustees	18,662,724	17,755,155	0	11,053,281	3,924,183	9,244,775
1995	Miss State	286,475,241	273,099,518	39,937,888	110,553,375	57,433,621	385,652,307
1995	MS Univ for Women	28,516,276	26,111,104	6,080,372	11,202,819	4,703,252	40,054,009
1996	Univ of Ms Med Ctn	351,906,568	301,070,711	4,775,741	104,398,932	130,637,617	335,505,903
1996	Univ of Southern	163,213,307	155,591,906	42,139,731	60,356,851	38,507,908	205,537,263
1995	University of MS	165,284,388	159,117,577	35,078,572	56,573,846	36,103,713	239,371,938
	Total	\$1,068,872,868	\$982,170,812	\$135,470,882	\$375,373,903	\$297,369,406	\$1,292,355,340

**Contracted University Audits Performed by CPA Firms on Behalf of the Office of the State Auditor
State Fiscal Year Ended June 30, 1997**

1995	Jackson State	\$80,473,095	\$77,370,493	\$16,642,913	\$26,778,362	\$15,719,189	\$83,716,267
1996	MS Valley	31,220,079	29,278,967	5,599,113	10,455,412	16,030,213	37,942,429
	Total	\$111,693,174	\$106,649,460	\$22,242,026	\$37,233,774	\$31,749,402	\$121,658,696
	Combined Total:	<u>\$1,180,566,042</u>	<u>\$1,088,820,272</u>	<u>\$157,712,908</u>	<u>\$412,607,677</u>	<u>\$329,118,808</u>	<u>\$1,414,014,036</u>

* - Includes Current Fund

** - Included in Revenues & Other Additions

Source: Financial and Compliance Audit Division, Office of the State Auditor

Colleges Audited by the Office of the State Auditor
State Fiscal Year Ended June 30, 1997

<u>Year</u>	<u>College</u>	<u>Revenues & Other Add.*</u>	<u>Expenditures & Other Deduct.*</u>	<u>Tuition & Fees * *</u>	<u>State ** Appropriations</u>	<u>Total Assets*</u>	<u>Plant Fund Total Assets</u>
1995	East Central Comm	\$9,973,941	\$9,645,110	\$1,552,811	\$3,388,410	\$2,326,479	\$10,880,187
1995	Gulf Coast Community	45,448,665	44,636,342	7,428,346	17,908,472	9,010,281	65,227,665
1995	Holmes Community	14,119,669	13,944,259	2,352,945	5,099,514	1,183,360	25,808,605
1995	Jones Co Junior	24,946,854	23,658,879	3,600,080	10,642,799	*	*
1996	Jones Co Junior	27,074,730	25,648,948	3,668,767	11,936,315	8,618,824	36,931,183
1996	Meridian Community	17,760,711	17,201,236	2,635,880	7,302,991	1,659,527	22,197,055
1995	MS Delta Community	17,300,832	16,369,556	2,155,133	6,196,269	2,341,655	18,340,850
1996	MS Delta Community	18,648,826	17,721,716	2,056,845	7,461,857	3,359,066	19,479,423
1995	Pearl River Community	19,942,581	19,886,008	2,700,700	6,191,385	6,108,230	34,204,304
1995	Southwest MS Comm	9,758,425	9,091,645	1,336,979	3,802,282	4,719,198	21,861,007
1995	Southwest MS Dev						145,470
	Total	\$204,975,234	\$197,803,699	\$29,488,486	\$79,930,294	\$39,326,620	\$255,075,749

*1995 and 1996 audited financial statements issued together. No 1995 balance sheet.

Contracted Colleges Audits Performed by CPA Firms on Behalf of the Office of the State Auditor
State Fiscal Year Ended June 30, 1997

1996	East MS Community	\$11,570,914	\$11,363,984	\$1,632,526	\$3,515,128	\$2,672,556	\$15,927,769
1996	Copiah-Lincoln CC	18,973,281	18,761,244	2,537,033	6,327,230	1,776,974	32,210,968
1996	Coahoma Community	13,253,762	11,656,372	1,097,600	5,135,255	1,951,482	25,437,092
1996	Northeast MS CC	22,558,060	20,577,112	2,856,291	9,458,228	7,434,195	35,164,488
1996	Northwest MS	28,233,304	26,882,848	4,170,589	10,423,799	4,817,746	42,772,242
	Total	\$94,589,321	\$89,241,560	\$12,294,039	\$34,859,640	\$18,652,953	\$151,512,559
GRAND TOTAL:		<u>\$299,564,555</u>	<u>\$287,045,259</u>	<u>\$41,782,525</u>	<u>\$114,789,934</u>	<u>\$57,979,573</u>	<u>\$406,588,308</u>

* - Includes Current Fund

** - Included in Revenues & Other Additions

Source: Financial and Compliance Audit Division, Office of the State Auditor

Schools Audited by the Office of the State Auditor

State Fiscal Year Ended June 30, 1997

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Total Assets</u>	<u>Total Long-Term Debt</u>
1996	Amite County	\$9,211,580	\$9,336,920	\$23,185,708	\$2,699,873
1996	Baldwyn Public	4,292,970	4,833,514	6,913,923	1,950,870
1995	Benoit	1,781,302	1,771,151	2,524,549	25,919
1995	Biloxi	31,044,403	31,149,887	44,861,810	1,229,618
1995	Chickasaw County	2,477,098	2,415,582	1,831,615	78,227
1996	Clinton Public	21,734,819	26,575,492	54,108,183	12,566,938
1996	Coahoma County	10,725,222	10,363,936	8,486,835	224,244
1996	Coffeeville	4,322,517	4,542,561	5,075,615	575,120
1996	Columbia	8,175,037	8,608,239	13,201,397	1,762,887
1996	Corinth	9,864,472	10,056,743	28,654,018	7,227,770
1996	Desoto County	62,103,935	72,452,188	137,654,910	39,581,781
1995	East Tallahatchie	6,578,923	6,962,103	5,534,621	86,782
1996	East Tallahatchie	6,886,927	7,076,532	5,425,154	80,019
1995	Forrest Co Agri	2,557,921	2,366,703	1,849,901	16,090
1996	Gulfport	34,463,465	38,787,125	93,867,456	29,651,475
1995	Harrison County	44,185,828	49,660,691	55,597,365	5,820,855
1995	Hazlehurst	7,614,396	8,532,463	7,530,097	2,472,993
1995	Houston	8,070,918	8,003,368	14,768,809	3,511,145
1995	Monroe County	9,764,778	10,399,266	15,254,992	2,300,079
1995	Montgomery County	3,651,321	3,699,254	4,879,380	56,282
1995	North Tippah	6,258,773	6,194,942	3,359,128	88,648
1996	North Tippah	6,269,886	6,209,439	3,708,305	100,564
1996	Okolona	4,868,345	4,762,402	4,160,554	287,142
1995	Pontotoc City	7,266,336	7,456,590	8,564,714	1,025,674
1996	Pontotoc City	8,284,684	10,803,147	17,073,403	4,742,859
1996	Richton	5,990,447	4,025,921	7,577,311	618,145
1995	Smith County	12,804,187	11,720,869	21,311,715	814,680
1995	South Panola	16,906,028	17,227,680	11,898,828	3,883,229
1996	South Panola	17,712,540	17,576,964	12,011,486	3,498,531
1995	South Tippah	10,693,455	10,154,217	8,666,199	630,950
1995	Stone County	10,203,860	9,895,428	10,471,252	89,370
1996	Tunica County	12,806,108	12,120,172	7,838,233	758,344
	Total	409,572,481	435,741,489	647,847,466	128,457,103

* - Includes General Funds and Expendable Trust Funds

Source: Financial and Compliance Audit Division, Office of the State Auditor

**Contracted School Audits Performed by CPA Firms on Behalf of the Office of the State Auditor
State Fiscal Year Ended June 30, 1997**

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Assets</u>	<u>Term Debt</u>
1996	Aberdeen	\$9,496,603	\$9,210,101	\$10,207,444	\$1,504,295
1995	Alcorn County	16,014,479	16,610,311	16,658,064	2,325,905
1996	Amory	8,452,723	9,757,039	15,651,162	5,023,884
1996	Attala County	7,262,400	7,327,536	7,984,943	373,934
1995	Bay St. Louis	10,657,453	10,881,945	16,351,563	4,366,636
1996	Benton County	5,846,433	6,571,249	4,619,973	624,480
1996	Biloxi	33,077,055	33,073,911	45,843,020	1,203,437
1995	Booneville	4,779,310	5,160,592	7,917,710	2,076,521
1996	Brookhaven	15,433,005	15,162,451	13,731,075	846,291
1995	Calhoun County	11,630,917	11,859,991	15,366,144	988,213
1996	Calhoun County	11,807,041	12,283,649	14,897,365	582,716
1995	Canton Public	14,654,424	14,397,829	17,640,181	2,612,781
1996	Canton Separate	14,094,663	13,896,598	18,231,661	2,373,821
1995	Choctaw County	8,045,687	8,639,042	7,223,565	734,564
1996	Claiborne County	11,616,101	13,139,093	21,612,163	4,931,350
1996	Clarksdale	16,900,534	17,060,663	14,098,652	1,368,400
1996	Clay County	2,349,235	2,418,943	1,216,743	14,630
1995	Cleveland	17,344,779	17,262,942	17,413,732	1,102,138
1996	Columbus	29,968,952	41,954,868	32,179,040	18,167,626
1995	Copiah County	12,406,005	12,936,718	9,924,494	924,963
1995	Drew	4,359,523	4,686,131	8,751,087	270,533
1995	East Jasper	5,481,255	5,987,562	10,917,113	829,896
1996	East Jasper	6,001,633	7,131,399	10,085,486	1,866,701
1995	Enterprise	2,945,696	3,239,209	4,803,179	365,100
1996	Forrest Co. Agric	2,575,231	2,580,545	1,916,595	14,115
1995	Franklin County	8,047,512	8,554,288	12,066,460	536,680
1996	George County	14,324,915	14,995,774	20,801,748	7,242,318
1995	Greene County	8,162,142	7,994,825	11,190,389	650,681
1995	Greenville Public	33,588,388	33,872,815	51,311,662	4,395,105
1996	Greenwood	18,763,060	18,348,158	20,076,800	509,766
1995	Grenada	17,215,900	20,123,790	27,483,320	6,477,663
1996	Hattiesburg	28,463,001	27,739,420	35,107,694	8,789,051
1995	Hinds County	23,880,837	30,595,849	64,725,547	22,027,864
1996	Hollandale	6,651,846	6,431,138	7,063,717	2,231,805
1996	Holly Springs	8,263,676	8,400,419	5,969,822	355,556
1996	Humphreys County	10,754,251	10,532,046	16,516,564	1,561,775
1996	Itawamba County	13,236,107	12,938,812	11,109,199	1,827,331
1995	Jackson County	29,004,540	30,191,311	38,182,068	4,401,341
1996	Jefferson County	8,735,688	9,979,656	8,013,655	1,647,763
1995	Jefferson Davis	11,289,073	12,218,935	16,857,277	1,187,486
1995	Jones County	33,444,986	33,289,263	41,159,953	3,210,738
1996	Jones County	35,107,004	39,123,653	52,962,132	8,592,662
1995	Kemper County	7,114,519	7,968,118	8,642,072	187,910
1996	Kosciusko	9,688,006	9,473,346	16,452,326	3,077,431

**Contracted School Audits Performed by CPA Firms on Behalf of the Office of the State Auditor
State Fiscal Year Ended June 30, 1997**

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Assets</u>	<u>Term Debt</u>
1996	Lafayette County	9,166,805	9,533,340	19,290,225	6,498,190
1996	Lauderdale County	27,383,839	27,539,154	44,886,563	9,072,910
1996	Laurel	16,240,299	16,127,458	20,226,458	2,612,771
1996	Lawrence County	11,199,502	11,252,798	13,127,614	169,043
1995	Leake County	12,327,660	12,502,798	17,349,050	1,628,496
1995	Lee County	23,131,322	30,710,505	57,350,099	17,980,757
1995	Lowndes County	21,275,859	21,449,580	39,272,432	8,226,457
1995	Lumberton	4,426,837	3,172,236	3,280,084	63,493
1996	Lumberton	3,451,710	3,452,204	2,791,929	56,270
1995	Madison County	31,970,592	35,786,851	111,465,206	44,341,725
1995	Marion County	11,975,717	13,579,243	19,393,604	2,634,690
1995	McComb	13,990,808	14,035,357	6,935,741	1,366,012
1996	McComb	15,073,741	15,006,005	7,863,044	1,323,330
1996	Meridian	35,041,248	34,267,459	36,971,459	6,032,479
1996	Montgomery County	3,520,581	3,642,923	4,467,408	57,022
1995	Mound Bayou	4,248,848	4,071,040	3,973,990	741,236
1995	Natchez-Adams	24,663,190	26,751,601	61,412,948	4,865,220
1995	Neshoba County	10,844,056	10,287,029	16,191,025	255,997
1995	Nettleton	5,747,362	6,231,412	7,942,015	1,582,776
1995	New Albany	8,550,050	8,793,933	12,763,080	1,003,510
1996	New Albany	8,955,758	8,894,367	10,873,681	869,250
1996	Newton County	7,368,372	7,417,202	19,001,059	3,822,955
1996	Newton Municipal	5,854,535	5,883,201	8,224,274	924,755
1995	North Bolivar	5,184,283	5,059,702	4,006,834	516,772
1995	North Panola	11,198,173	9,533,222	16,070,459	2,867,267
1995	Noxubee County	9,518,470	9,880,483	1,243,091	556,532
1996	Noxubee County	9,891,825	9,996,126	8,343,046	316,077
1996	Ocean Springs	20,638,442	25,037,371	53,583,322	9,629,281
1995	Oktibbeha County	7,470,859	7,492,599	7,331,522	318,000
1996	Oxford	14,283,819	13,718,450	19,107,609	4,183,970
1996	Pass Christian	8,372,524	8,794,003	9,226,347	754,008
1995	Perry County	7,263,785	8,064,786	13,001,618	1,683,082
1996	Perry County	7,026,782	7,314,385	12,656,485	1,577,225
1995	Philadelphia	5,020,828	5,001,816	7,325,423	263,345
1995	Pontotoc County	9,761,567	9,872,386	11,214,870	786,292
1996	Pontotoc County	10,544,284	10,443,681	13,359,839	1,518,948
1995	Quitman	7,954,061	7,854,710	4,344,697	125,603
1996	Quitman	7,920,406	8,314,759	5,817,173	649,174
1995	Richton	3,792,484	3,861,827	5,264,871	713,239
1996	Scott County	15,381,730	15,189,521	22,121,640	354,203
1995	Simpson County	17,166,529	15,582,552	14,722,108	1,454,756
1996	South Delta	8,292,879	8,814,707	8,042,268	168,275
1996	Stone County	11,032,103	11,542,500	20,877,387	5,016,657
1996	Tate County	11,859,243	11,954,258	12,131,419	310,482

**Contracted School Audits Performed by CPA Firms on Behalf of the Office of the State Auditor
State Fiscal Year Ended June 30, 1997**

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Assets</u>	<u>Term Debt</u>
1995	Tunica County	10,598,851	9,716,553	6,442,600	821,190
1995	Tupelo Public	33,736,868	35,919,275	80,505,414	26,227,950
1995	Vicksburg-Warren	42,803,900	41,073,394	59,196,950	4,798,603
1995	Walthall County	11,815,410	11,766,289	10,836,381	1,033,444
1995	Water Valley	5,248,179	5,243,455	4,958,510	166,295
1996	Water Valley	5,472,817	5,395,225	4,946,359	132,489
1995	Wayne County	16,235,904	16,593,198	17,198,053	1,925,577
1995	Webster County	8,590,298	8,167,214	8,692,880	562,219
1995	West Bolivar	6,241,182	6,172,524	7,082,375	214,870
1995	West Jasper	8,028,045	9,097,467	8,417,027	1,767,760
1996	West Jasper	8,365,616	8,486,984	11,543,060	1,821,557
1995	West Point	14,347,380	14,582,592	14,719,808	4,828,657
1996	West Tallahatchie	6,019,387	6,046,499	6,204,087	1,052,761
1995	Western Line	8,885,191	8,761,469	4,532,492	761,376
1996	Western Line	9,318,247	9,611,504	6,009,478	999,740
1995	Winona	6,578,804	6,226,476	8,555,776	273,354
1995	Yazoo City	13,191,145	14,171,517	6,431,617	1,621,904
1995	Yazoo County	8,643,089	9,494,413	16,765,730	2,599,609
	Total	1,359,040,668	1,416,239,521	1,908,818,172	335,905,743
	Combined Total	<u>\$1,768,613,149</u>	<u>\$1,851,981,010</u>	<u>\$2,556,665,638</u>	<u>\$464,362,846</u>

*** - Includes General Funds and Expendable Trust Funds**

Source: Financial and Compliance Audit Division, Office of the State Auditor